



DEPARTMENT OF NATURAL RESOURCES

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MEMORANDUM

Date: September 7, 2005

To: Land Reclamation Commission

From: Mike Larsen, Chief
Projects and Inspection Unit (*original signed by Mike Larsen*)

Subject: Coal Bond Forfeiture Status Update

Since July 1st of this year, the staff has conducted numerous on the ground inspections and general visits to bond forfeiture sites. The focus of these inspections and visits was to determine the conditions present on these sites and to decide what remaining work was necessary in order prepare them for presentation to the commission for release of any further liability on the part of the state.

Forfeited sites inspected or visited since July 1st are as follows:

Riedel Energy, Inc. – Monroe and Ralls counties

Yates Energy and Development – Randolph county

North American Resources Silver Creek Mine – Randolph county

Universal Coal and Energy Co., Inc. - Yates Processing Plant – Randolph county

Universal Coal and Energy Co., Inc. - Mine #51 – Randolph county

Universal Coal and Energy Co., Inc. - Mine #7 – Howard county

Universal Coal and Energy Co., Inc. – Mine #4 – Howard county

Universal Coal and Energy Co., Inc. – Mine #3 – Howard county

Universal Coal and Energy Co., Inc. – Howard county processing plant – Howard county

Bill's Coal Company – Vernon county

Amearth Corporation – Vernon county

Midwest Coal – Tiger Mine – Bates county

Alternate Fuels, Inc. – Blue Mound Mine – Barton and Vernon counties

As a result of these visits, four of the above sites (in bold and underlined) were determined to be eligible for liability release with either minor maintenance work or no work remaining to be completed. Where minor maintenance work was needed, this work has been completed



and the four sites noted above in bold and underlined will be recommended for liability release by staff to the commission later today under a separate agenda item.

A brief summary of work performed on bond forfeiture sites during the past two months is as follows:

"A" Pool Projects

Yates Energy, Randolph County, MO, work provided during August consisted of the repair of erosion gullies in the northern portion of the mine site. This work completed in order to present the final area remaining under state liability to the commission for release.

"B" Pool Projects

UCE, Pit 51, Randolph County, MO, work provided during August related to the repair of gullies, replacement of pond spillway pipe, and vegetation work on all disturbed areas. This work completed in order to prepare the mine site for presentation to the commission in November, 2005 for final liability release.

UCE, Pit 7, Howard County, MO, work provided with minor repairs to gullies, vegetation work, and to road access areas. Mine #7 will be presented to the commission for liability release in two phases; one in September, 2005 and the remaining acreage at the November, 2005 meeting.

Projects being presented for release for which no reclamation work was provided are UCE, Yates Processing Plant, Randolph County, and UCE, Prep Plant, Howard County. These sites were deemed to be completed and will be presented to the commission for their consideration of final liability release later today.

For the commissioners review and information, I have attached a proposed schedule of release presentations to be made before the commission through July, 2006. This proposed schedule was developed through discussions with the program's bond forfeiture engineer and through field observations made to date by myself and other program staff.